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National Tea Co.

ANNUAL REPORT

For the Year Ending
December 31, 1924

MAR 25 1925
NOT TO BE TAK

Chicago, Ill., March 21st, 1925

1000 CROSBY STREET, CHICAGO, ILL.

March 21st, 1925.

To the Stockholders of the National Tea Co.

Making a report to you on the results of the National Tea Co. for the year 1924 is an exceedingly pleasant duty. You will notice from the certified financial statement presented in this folder that the net profits after deducting Federal Taxes amounted to $1,472,992.83 or $384,099.38 in excess of the year 1923. The earnings per share of the new common stock being $27.64 for the year 1924.

Consistent expansion during the year has resulted in the following increase in stores. The total number of stores in operation on January 1st, 1924, was 514 and at the close of the year the number was 598 or a total gain of 84 for the year. Many of these were placed in new territory not heretofore covered by your company and met with a satisfactory response from the consuming public.

One thousand shares of Preferred Stock, par value of $100,000.00 was retired and cancelled in accordance with the Sinking Fund Provisions and additional capital was acquired through the sale of $200,000.00 par value of Preferred Stock.

The large modern bread bakery addition was also put into operation during the middle of the year, enabling us to turn out a better loaf more economically than before. This has enabled us to greatly increase our bread business during the last six months of the year.

Although it is too early to venture any prediction for the current year, we are exceedingly optimistic.

Yours very truly,

GEO. RASMUSSEN, President.

BALANCE SHEET, DECEMBER 31, 1924

ASSETS

PROPERTIES (at book values less depreciation)—			
Land and Buildings		$2,575,000.19	
Machinery, Fixtures, and Equipment		1,389,553.99	
Automobiles, Horses, Wagons, Etc.		275,079.17	$ 4,239,633.35
GOODWILL			2,079,022.05
CURRENT ASSETS—			
Inventories of Merchandise and Supplies On Hand and in Transit		$4,927,399.63	
Accounts and Notes Receivable Less Reserve for Bad Debts		210,539.63	
Mortgages Receivable		3,250.00	
Investment in Affiliated Company (Represented by Net Current Assets)		60,000.00	
Cash on Hand and in Banks		326,278.00	
Total Current Assets			5,527,467.26
DEFERRED CHARGES—			
Advanced Premiums to Customers— Less Reserves		$ 61,773.78	
Prepaid Taxes, Insurance, Rents, Etc.		53,272.34	
Reorganization Expense— (Less Proportion Written Off)		113,694.16	228,740.28
			$12,074,862.94

LIABILITIES

PURCHASE MONEY OBLIGATIONS—			
Due 1926 and Subsequently			$ 455,500.00
NOTE PAYABLE—Due June 30, 1926			100,000.00
CURRENT LIABILITIES—			
Notes Payable		$1,050,000.00	
Purchase Money Obligations—Due 1925		292,350.00	
Trade Acceptances and Commercial Letters of Credit (Secured by Coffee in Transit)		362,114.28	
Accounts Payable—			
Trade	$1,077,299.79		
Payroll and Commissions	134,211.07		
Interest and Taxes	97,481.19		
Employees' Deposits	10,237.06		
Dividends Accrued	119,914.33		
Provision for Federal Taxes— Estimated	214,144.06	1,653,287.50	
Total Current Liabilities			$ 3,357,751.78
RESERVES—			
For Insurance		$ 32,641.92	
For Estimated Liability on Coupons Outstanding		3,176.62	35,818.54
DEFERRED PROFIT ON 2,000 SHARES OF PREFERRED STOCK REPURCHASED AND CANCELLED			20,997.25
PREFERRED STOCK 7 PER CENT CUMULATIVE—			
Authorized and Issued 13,000 Shares of $100.00 Each			1,300,000.00
COMMON STOCK—			
Authorized and Issued 50,000 Shares of No Par Value			1,037,139.20
SURPLUS—			
Appropriated for Redemption of Preferred Stock		90,833.33	
Unappropriated		5,676,822.84	5,767,656.17
CONTINGENT LIABILITY—			
In Respect of Federal Taxes in Dispute		73,000.00	
			$12,074,862.94

We have examined the books of the National Tea Co. and its subsidiaries for the year ending December 31, 1924, and certify that the above consolidated Balance Sheet at December 31, 1924, and relative Income and Surplus Account have been correctly prepared therefrom and, in our opinion, fairly set forth the financial position of the Company at December 31, 1924, and the results from operation for the year ending that date. The inventories of merchandise, certified by the officers as to quantities and condition, have been valued on the basis of cost or market whichever was lower.

Chicago, March 18, 1925. PRICE, WATERHOUSE & CO.

(Continued on following page)

INCOME AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1924

Sales		$39,058,829.60
Net Operating Profit		$ 1,686,207.72
Estimated Federal Taxes		213,214.89
Net Profit after deducting Federal Taxes		$ 1,472,992.83
Surplus as at January 1, 1924		2,784,948.52
Capital Surplus		2,000,000.00
		$ 6,257,941.35
Less Dividends—		
On Preferred—Cash	$ 90,058.51	
On Common—		
Cash	376,060.00	
Stock—30,000 shares No Par Value	150,000.00	
		$ 616,118.51
		$ 5,641,822.84
Add—		
Sinking Fund Adjustment		35,000.00
Unappropriated Surplus as per Balance Sheet		$ 5,676,822.84